

United States District Court
for the
Southern District of New York
Related Case Statement

Full Caption of Later Filed Case:

Securities and Exchange Commission,

Plaintiff	Case Number
vs.	16 Civ. 3505
Devon D. Archer, Bevan T. Cooney, Hugh Dunkerley, Jason W. Galanis, John P. Galanis, Gary T. Hirst and Michelle A. Morton,	
Defendant	

Full Caption of Earlier Filed Case:

(including in bankruptcy appeals the relevant adversary proceeding)

Securities and Exchange Commission,

Plaintiff	Case Number
vs.	15 Civ. 9764 (WHP)
Atlantic Asset Management, LLC,	
Defendant	

Status of Earlier Filed Case:

☐

Closed

(If so, set forth the procedure which resulted in closure, e.g., voluntary dismissal, settlement, court decision. Also, state whether there is an appeal pending.)

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Open

(If so, set forth procedural status and summarize any court rulings.)

Judgment has been entered against Defendant on consent as to liability. (Docket Entry ("DE") 44.) A Receiver has been appointed (DE 26) and is engaged in winding down the operations of the Defendant. (e.g., DE 88).

Explain in detail the reasons for your position that the newly filed case is related to the earlier filed case.

The Complaint filed in the earlier-filed case, SEC v. Atlantic Asset Management, 15 Civ. 9764 (WHP) ("SEC v. AAM"), asserts claims that Atlantic Asset Management LLC ("AAM") violated its obligations under the Investment Advisers Act of 1940 by failing to disclose various conflicts of interest in its investment of client funds in bonds issued by a Native American tribal corporation (the "Tribal Bonds").

The newly filed action ("SEC v. Archer") asserts fraud claims against seven individuals based on allegations that the Tribal Bonds themselves were the subject of a fraudulent scheme through which Jason Galanis and other Defendants diverted proceeds of the bond sales for the benefit of themselves and entities they controlled. One of the Defendants is AAM's former CEO, Michelle Morton, who is charged with defrauding clients of AAM and its predecessor through her actions on behalf of AAM.

Also pending in the Southern District are two cases involving three of the same defendants as charged in the newly-filed action.

SEC v. Galanis, et al., 15 Civ. 7547 (VSB) and United States v. Galanis, et al., 15 Cr. 643 (PKC). These actions relate to the alleged fraudulent conduct in the unregistered offering of Gerova Financial Group by Defendants Jason Galanis, John Galanis and Gary Hirst, among other Defendants, and predate the conduct alleged in the SEC v. AAM and the SEC v. Archer cases.

Signature: _____



Date: _____

5-11-16

Firm: _____

Securities and Exchange Commission
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